



# Planting the seeds: Worcester first to benefit from new college program

By Sarah Connell - August 18, 2016

Treasurer Deb Goldberg has her eyes set on Worcester as one of the state's most under-banked cities and she won't rest until incoming kindergartners start seeing dollar signs.

Goldberg's \$eedMA program, overseen by her newly-formed Office of Economic Empowerment, aims to increase the percentage of public school students who graduate from college in the city of Worcester, while subsequently combating the distrust and stigmatization of banks. The program will provide a \$50 deposit in a tax-advantaged investment plan for any Worcester Public Schools kindergartner who chooses to participate. The 529 plan, managed by Fidelity Investments, requires no broker fee and provides a selection of investments that parents may choose from.

When asked about her decision to establish this initiative in Worcester, Goldberg said she recognized the city's passion and commitment to its residents.

"Working together with partners from every sector, the city is more than ready to handle the task of leading the charge on college savings," she said. "Each and every group has embraced their role as ambassadors for \$eedMA, and the response has made us confident in the program's success. This collaboration will

ensure that every eligible family in Worcester will have the opportunity to take advantage of this exciting program.”

It seems implausible that Worcester residents would turn up their noses at the notion of a hassle-free college savings account complete with a \$50 investment, free of charge. However, between 15-20 percent of Worcester residents remain under-banked or unbanked, meaning they either do not maintain a balance in their checking account or they rely on check cashing services that charge fees running upwards of 5 percent.

Dangers of falling into one of these two categories come full throttle for young families when faced with the reality of college savings. According to the Corporation for Enterprise Development, “Low and moderate income children with \$500 or less in savings were three times more likely to enroll in college than children with no savings, and four times more likely to graduate.”

The \$eedMA program does not intend to tackle the under-banked phenomenon just by easing banking enrollment, but also by means of educational best practice.

The Office of Economic Empowerment will collaborate with Worcester Public Schools educators in an effort to embed meaningful financial literacy instruction within the existing curriculum.

“The financial education component of \$eedMA will be multi-generational and take place both in the classroom and in the community,” Deputy Treasurer Alayna Van Tassel said. “Many of the recommendations from the Massachusetts Task Force on Financial Literacy will be implemented in Worcester. We will be training our partners to educate families about savings when they open an account. We are also working with the Worcester Public Schools to create a college bound identity as early as kindergarten.”

\$eedMA may be the first program of its kind to remedy an under-banked community by engaging its youth, but it is certainly not the first attempt at wielding education as a solution. Following a foreclosure crisis in 2007, HarborOne Bank of Brockton recognized a need for financial literacy courses among its immigrant citizens and developed a MultiCultural Banking Center in response. The goal was to cultivate trust and rebuild a bankable community of adults in the city of Brockton. As of this year, American Banker reports more than 13,000 individuals have benefited from the MultiCultural Banking Center's educational programming.

With 1,500 eligible kindergartners slated to start school at the end of the month, \$eedMA is aiming for a preventative solution to Worcester's under-banked problem.

"Education is part of Worcester's value system," Mayor Joe Petty said.

"Treasurer Goldberg made this program a priority in her campaign, and I'm proud that she chose Worcester as the city for this pilot program. This program will help our students and our parents start planning for college from Day 1."

The Office of Economic Empowerment is eager to roll out \$eedMA in a community boasting nine colleges and universities as well as an extraordinarily diverse population, but the real draw is Worcester's steadfast network of nonprofits and neighborhood groups.

Staffers recognized early on that organizing in Worcester would require a unique approach relying on trusted community partners to encourage participation. The team went to work identifying "safe spaces" that would be willing to promote \$eedMA from the ground up. That could include local clergy and teachers.

"People are willing to listen to a pastor or a teacher with whom they have already built an authentic relationship," said Paul Kelly, community engagement manager for the Office of Economic Empowerment. "They are willing to listen to the leaders who speak their language, both literally and metaphorically."

Open enrollment starts Tuesday, Aug. 23, 4–7p.m. at the EcoTarium, one of nearly 50 partner locations throughout the city. It will also be available online through the \$eedMA website. Kelly and the rest of his team are optimistic their grassroots sensibilities will bring WPS families out in droves.